

**LBO
Report**

**MO HealthNet Expenditure Projections
Fiscal Years 2009-2013**

Required by Section 208.985, RSMo

January 2008

Legislative Budget Office
Joint Committee on Legislative Research
Missouri General Assembly
State Capitol, 117-A
Jefferson City, MO 65101

Preface

Section 208.985 of the Revised Statutes of Missouri (added by Section 1 of SB 577 of 2007) requires the Legislative Budget Office [LBO] to prepare annually 5-year projections of both costs and participants for the MO HealthNet program. The projections are to be issued to the General Assembly, the Governor, the Joint Committee on MO HealthNet, and the MO HealthNet Oversight Committee. They are to include the total cost of the program, spending by selected programs within the total, enrollment by population and geographic area, financial need going forward, and projected required reimbursement rates. The first of those annual reports follows.

In preparing these estimates, LBO relied on the assistance of staff at several organizations. In particular, the agency would like to thank staff of the Research and Evaluation Unit of the Missouri Department of Social Services and the Office of Social and Economic Data Analysis at the University of Missouri–Columbia for the data and insights that they provided. LBO is also grateful for the information and comments provided by staff at the Office of Administration, Division of Budget and Planning; the Center for Health Policy at the University of Missouri–Columbia; the Congressional Budget Office, and the Missouri Hospital Association. Although those outside organizations provided considerable assistance, they are not responsible for the contents of this report.

The LBO has tried to provide information responsive to its statutory requirements that is also useful in future planning for the MO HealthNet program. Comments or suggestions to improve the usefulness of this publication are welcomed.

Daniel Kowalski
Director

January 11, 2008

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Summary

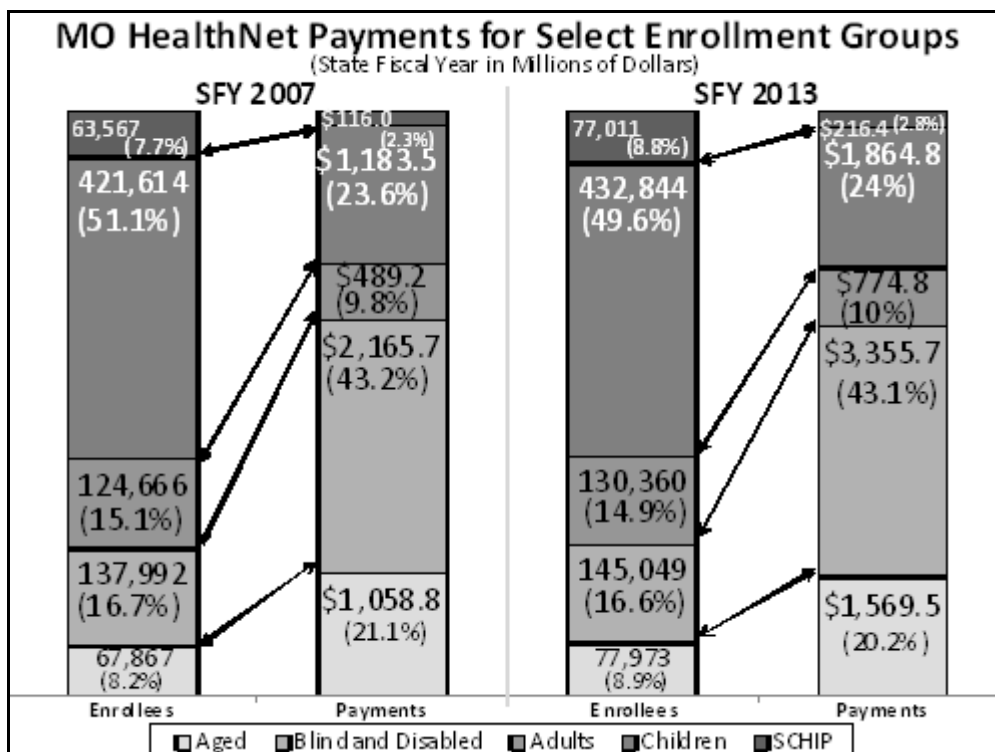
For the current year, state fiscal year [SFY] 2008, LBO expects that total MO HealthNet spending will increase by 8.1 percent, to a total of \$6.1 billion. SFY 2008 will mark the first increase in total Medicaid spending in three years. The sizeable increase results from higher reimbursement rates to providers, expansions of eligibility included in SB 577, and underlying trend growth in medical costs.¹ Largely as a result of SB 577, LBO expects program enrollment to reach 842,000 for SFY 2008, up from the average of 825,000 for SFY 2007.

In the budget year, SFY 2009, LBO projects that under current law the MO HealthNet program will cost \$6.4 billion and serve 849,000 people. The growth in expenditures of 6.5 percent is likely to exceed the growth in state general fund revenues for SFY 2009.

At the end of the projection period, SFY 2013, total expenditures are expected to reach \$8.4 billion – without further legislative changes to reimbursement rates or eligibility criteria.. Average annual growth in the 5 years covered by these projections (SFYs 2009 - 2013) is expected to be 6.8 percent. Cumulative MO HealthNet spending over the projection period totals almost \$37 billion.

As can be seen in the chart, it is expected that the distribution of the population enrolled in the MO HealthNet program and the amounts spent on those different eligibility groups will show only slight changes between 2007 and 2013.

Over 43 percent of MO HealthNet expenditures support health care for the Blind and Disabled, who account for about 17 percent of the total enrollees. Aged participants, at 8 to 9 percent of the total, receive over 20 percent of the benefits. Children (including SCHIP participants)



¹ The Appendix contains a summary discussion of SB 577 of 2007.

comprise about 60 percent of enrollees, but consume only 25 percent of total expenditures.

Financial Need Going Forward

Compared with the 3.1 percent historical annual growth rate in state general revenues for the past 10 years, the 6.8 percent growth projected for the MO HealthNet program is more than double the expected growth in revenues. As a result, financing the state share of MO HealthNet will begin to consume larger amounts of the trend, or natural, increase in state revenues.

LBO estimates that, assuming that 40 percent of the cost of the MO HealthNet program is ultimately financed through the general fund (transfers to special funds from general fund sources are ultimately financed through the general fund), the MO HealthNet program will need an additional \$942 million in state resources in the next 5 years. This is 72 percent of the total increase in state revenues over that period (assuming the 3.1 percent growth rate in revenues). In the last year of the projection period, SFY 2013, the MO HealthNet program would need almost 80 percent of the projected annual increase in state revenues.

Because of the large share of federal financial participation in the MO HealthNet program, the projected 6.8 percent growth for the program does not suggest a crisis in financing the program over the next 5 years. It does suggest, however, that vigilance will be required to ensure that a funding crisis does not occur. Difficult choices will need to be made to balance the continuing and growing needs of the MO HealthNet program with competing options for general fund spending.

Population Projections

LBO is required to report projections of the number of persons eligible for MO HealthNet benefits by population and geographic area. The geographic regions LBO adopted are the same ones used by the Department of Social Services, and are shown in Figure 1 (which has been copied from the Department's Monthly Management Report).

Monthly enrollment for SFY 2007 averaged slightly more than 825,000. Not surprisingly, the greatest number of participants live in the region with the most population, the St. Louis region. Almost 226,000 persons were enrolled in the MO HealthNet program in the St. Louis region in 2007 (see Table 1). The second largest concentration of MO HealthNet enrollees in SFY 2007 is in the Southwest region of the state, followed by the Southeast region. Over 170,000 persons were enrolled in the Southwest region in 2007 (21 percent of the total), while another 141,000 were enrolled in the Southeast region (17 percent of the total).²

Enrollment for SFY 2008 is expected to grow to a total of 842,421. This is an annual increase of 2.1 percent (see Table 2). Approximately 95 percent of the net increase in the enrolled population is accounted for by eligibility increases included in SB 577, particularly the expansion of the State Children's Health Insurance Program (SCHIP).

For state fiscal years after 2008, overall growth in persons enrolled in the program is expected to slow to 0.7 percent, consistent with underlying growth in the state's population.³ Growth in the different regions of the state vary around that average, with enrollment in the Southwest region growing by 1.3 percent, and by only 0.1 percent in the St. Louis region. This can be seen graphically in the chart, located on the following page.

For fiscal year 2013, MO HealthNet enrollment is expected to reach over 873,000 individuals. The composition of persons enrolled in the MO HealthNet program are expected to show only slight changes between 2007 and 2013. Statewide, a slight increase in the Aged group is offset by declines in Children, which can be seen graphically in the second chart on the following page.

² It is worth noting that the total enrollment in MO HealthNet in the St. Louis region is not proportional to its share of the total state population: while 33 percent of the state's population lives in the St. Louis region, it accounts for only 27 percent of the beneficiaries. Total enrollment in the Southwest and Southeast regions is larger than their shares of total state population, particularly for the Southeast region, which contains only 12 percent of the state's total population.

³ More detail on how demographic projections are used in these enrollment projections can be found in the "Projection Methodology" section later in the report.

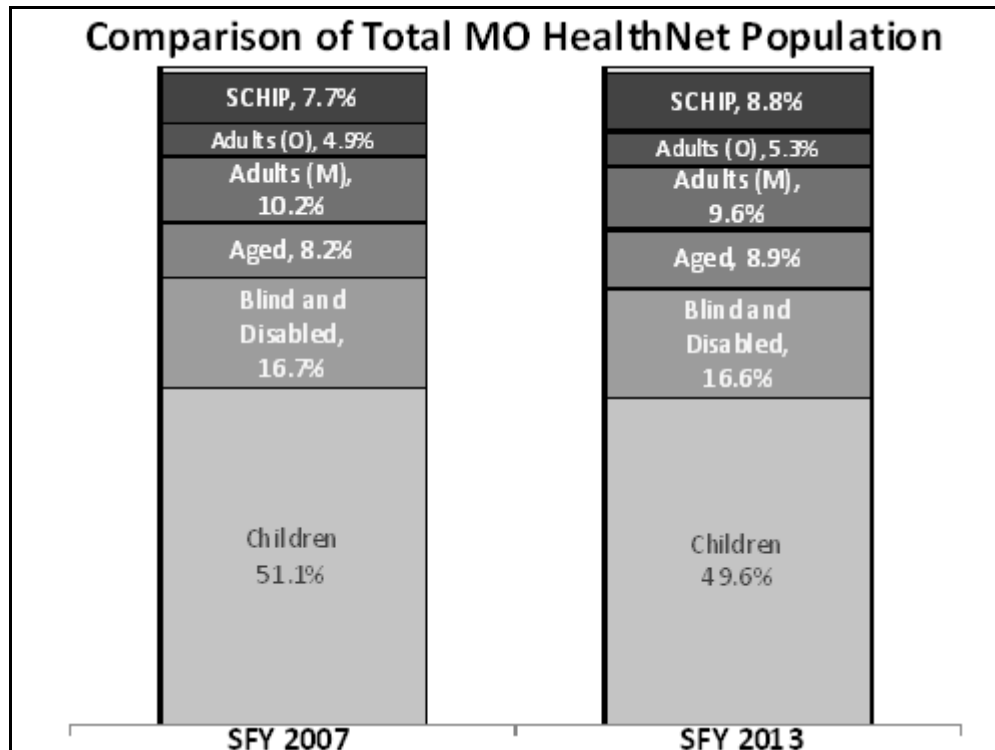
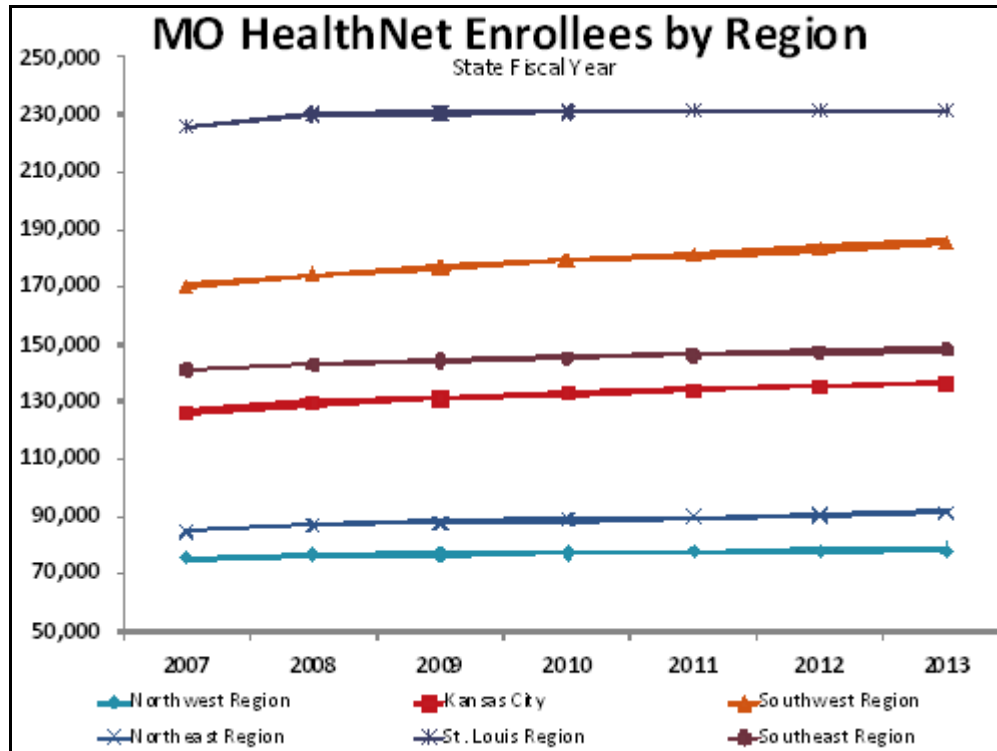


Figure 1
Department of Social Services
Regions



Table 1
Average Monthly MO HealthNet Enrollment
Fiscal Year Totals by Region and Population

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
GRAND TOTAL							
Aged	67,867	67,719	69,592	71,416	72,935	75,164	77,973
Blind and Disabled	137,992	138,775	140,069	141,358	142,555	143,781	145,049
Adults (Mandatory)	83,980	81,307	82,013	82,719	83,391	83,871	84,151
Adults (Optional)	40,686	44,290	44,733	45,195	45,622	45,961	46,209
Children	421,614	424,755	427,237	429,700	431,285	432,027	432,844
SCHIP	63,567	76,029	76,088	76,156	76,330	76,606	77,011
Other	<u>9,493</u>	<u>9,546</u>	<u>9,633</u>	<u>9,730</u>	<u>9,813</u>	<u>9,906</u>	<u>9,993</u>
Total	825,199	842,421	849,365	856,274	861,931	867,316	873,230
Northwest Region							
Aged	6,900	6,795	6,912	7,092	7,217	7,393	7,621
Blind and Disabled	12,378	12,407	12,486	12,589	12,677	12,767	12,867
Adults (Mandatory)	6,739	6,527	6,588	6,639	6,695	6,740	6,765
Adults (Optional)	4,366	4,711	4,746	4,786	4,827	4,860	4,877
Children	37,807	37,801	37,743	37,745	37,766	37,714	37,680
SCHIP	6,161	7,304	7,289	7,277	7,280	7,300	7,330
Other	<u>1,032</u>	<u>1,033</u>	<u>1,039</u>	<u>1,045</u>	<u>1,054</u>	<u>1,063</u>	<u>1,069</u>
Total	75,383	76,578	76,803	77,173	77,516	77,837	78,209
Kansas City Region							
Aged	7,819	7,879	8,145	8,393	8,623	8,928	9,315
Blind and Disabled	17,285	17,408	17,581	17,752	17,924	18,096	18,269
Adults (Mandatory)	13,472	13,017	13,111	13,209	13,305	13,370	13,406
Adults (Optional)	6,627	7,191	7,253	7,317	7,378	7,424	7,457
Children	69,533	70,501	71,413	72,302	72,967	73,411	73,862
SCHIP	10,078	12,281	12,347	12,416	12,502	12,600	12,713
Other	<u>1,308</u>	<u>1,318</u>	<u>1,329</u>	<u>1,343</u>	<u>1,355</u>	<u>1,368</u>	<u>1,381</u>
Total	126,122	129,595	131,179	132,732	134,054	135,197	136,403
Southwest Region							
Aged	13,658	13,701	14,132	14,507	14,817	15,252	15,805
Blind and Disabled	29,449	29,744	30,149	30,544	30,926	31,319	31,732
Adults (Mandatory)	15,052	14,631	14,809	14,992	15,168	15,316	15,435
Adults (Optional)	9,810	10,522	10,655	10,797	10,929	11,043	11,143
Children	85,382	86,475	87,642	88,778	89,653	90,404	91,263
SCHIP	14,582	16,869	16,987	17,116	17,267	17,445	17,668
Other	<u>2,260</u>	<u>2,283</u>	<u>2,315</u>	<u>2,345</u>	<u>2,376</u>	<u>2,406</u>	<u>2,440</u>
Total	170,193	174,225	176,689	179,079	181,136	183,185	185,486
Northeast Region							
Aged	7,310	7,290	7,506	7,706	7,873	8,137	8,483
Blind and Disabled	14,884	15,037	15,250	15,447	15,616	15,786	15,969
Adults (Mandatory)	7,883	7,686	7,804	7,915	8,008	8,080	8,129
Adults (Optional)	4,667	5,119	5,196	5,267	5,328	5,377	5,412
Children	42,121	42,416	42,706	43,018	43,265	43,480	43,704
SCHIP	7,148	8,576	8,604	8,626	8,668	8,722	8,800
Other	<u>879</u>	<u>886</u>	<u>896</u>	<u>911</u>	<u>919</u>	<u>929</u>	<u>938</u>
Total	84,892	87,010	87,962	88,890	89,677	90,511	91,435

Table 1
Average Monthly MO HealthNet Enrollment
Fiscal Year Totals by Region and Population

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
St. Louis Region							
Aged	16,171	16,097	16,544	16,958	17,309	17,879	18,629
Blind and Disabled	34,839	34,898	35,085	35,266	35,425	35,590	35,756
Adults (Mandatory)	27,338	26,390	26,542	26,713	26,872	26,959	26,983
Adults (Optional)	9,212	10,318	10,399	10,487	10,570	10,630	10,666
Children	120,302	120,270	120,071	119,897	119,516	118,813	118,005
SCHIP	15,684	19,682	19,557	19,415	19,290	19,175	19,073
Other	<u>2,295</u>	<u>2,302</u>	<u>2,316</u>	<u>2,329</u>	<u>2,341</u>	<u>2,354</u>	<u>2,368</u>
Total	225,841	229,957	230,514	231,065	231,323	231,400	231,480
Southeast Region							
Aged	16,009	15,957	16,353	16,760	17,096	17,575	18,120
Blind and Disabled	29,157	29,281	29,518	29,760	29,987	30,223	30,456
Adults (Mandatory)	13,496	13,056	13,159	13,251	13,343	13,406	13,433
Adults (Optional)	6,003	6,428	6,483	6,540	6,589	6,626	6,653
Children	64,822	65,267	65,616	65,890	66,038	66,125	66,254
SCHIP	9,914	11,317	11,304	11,306	11,323	11,364	11,427
Other	<u>1,719</u>	<u>1,724</u>	<u>1,738</u>	<u>1,757</u>	<u>1,768</u>	<u>1,786</u>	<u>1,797</u>
Total	141,120	143,030	144,171	145,264	146,144	147,105	148,140
Out of State							
Aged	--	--	--	--	--	--	--
Blind and Disabled	--	--	--	--	--	--	--
Adults (Mandatory)	--	--	--	--	--	--	--
Adults (Optional)	1	1	1	1	1	1	1
Children	1,647	2,025	2,046	2,070	2,080	2,080	2,076
SCHIP	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--
Total	1,648	2,026	2,047	2,071	2,081	2,081	2,077

Table 2
Average Monthly MO HealthNet Enrollment
Fiscal Year Percentage Change by and Region and Population

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	Avg. Ann. <u>2008-2013</u>
GRAND TOTAL							
Aged	-0.2	2.8	2.6	2.1	3.1	3.7	2.9
Blind and Disabled	0.6	0.9	0.9	0.8	0.9	0.9	0.9
Adults (Mandatory)	-3.2	0.9	0.9	0.8	0.6	0.3	0.7
Adults (Optional)	8.9	1.0	1.0	0.9	0.7	0.5	0.9
Children	0.7	0.6	0.6	0.4	0.2	0.2	0.4
SCHIP	19.6	0.1	0.1	0.2	0.4	0.5	0.3
Other	0.6	0.9	1.0	0.9	0.9	0.9	<u>0.9</u>
Total	2.1	0.8	0.8	0.7	0.6	0.7	0.7
Northwest Region							
Aged	-1.5	1.7	2.6	1.8	2.4	3.1	2.3
Blind and Disabled	0.2	0.6	0.8	0.7	0.7	0.8	0.7
Adults (Mandatory)	-3.1	0.9	0.8	0.8	0.7	0.4	0.7
Adults (Optional)	7.9	0.7	0.8	0.9	0.7	0.3	0.7
Children	0.0	-0.2	0.0	0.1	-0.1	-0.1	-0.1
SCHIP	18.6	-0.2	-0.2	0.0	0.3	0.4	0.1
Other	<u>0.1</u>	<u>0.6</u>	<u>0.6</u>	<u>0.9</u>	<u>0.9</u>	<u>0.6</u>	<u>0.7</u>
Total	1.6	0.3	0.5	0.4	0.4	0.5	0.4
Kansas City							
Aged	0.8	3.4	3.0	2.7	3.5	4.3	3.4
Blind and Disabled	0.7	1.0	1.0	1.0	1.0	1.0	1.0
Adults (Mandatory)	-3.4	0.7	0.7	0.7	0.5	0.3	0.6
Adults (Optional)	8.5	0.9	0.9	0.8	0.6	0.4	0.7
Children	1.4	1.3	1.2	0.9	0.6	0.6	0.9
SCHIP	21.9	0.5	0.6	0.7	0.8	0.9	0.7
Other	<u>0.8</u>	<u>0.8</u>	<u>1.1</u>	<u>0.9</u>	<u>1.0</u>	<u>1.0</u>	<u>0.9</u>
Total	2.8	1.2	1.2	1.0	0.9	0.9	1.0
Southwest Region							
Aged	0.3	3.1	2.7	2.1	2.9	3.6	2.9
Blind and Disabled	1.0	1.4	1.3	1.3	1.3	1.3	1.3
Adults (Mandatory)	-2.8	1.2	1.2	1.2	1.0	0.8	1.1
Adults (Optional)	7.3	1.3	1.3	1.2	1.0	0.9	1.2
Children	1.3	1.3	1.3	1.0	0.8	1.0	1.1
SCHIP	15.7	0.7	0.8	0.9	1.0	1.3	0.9
Other	<u>1.0</u>	<u>1.4</u>	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>	<u>1.4</u>	<u>1.3</u>
Total	2.4	1.4	1.4	1.1	1.1	1.3	1.3

Table 2
Average Monthly MO HealthNet Enrollment
Fiscal Year Percentage Change by and Region and Population

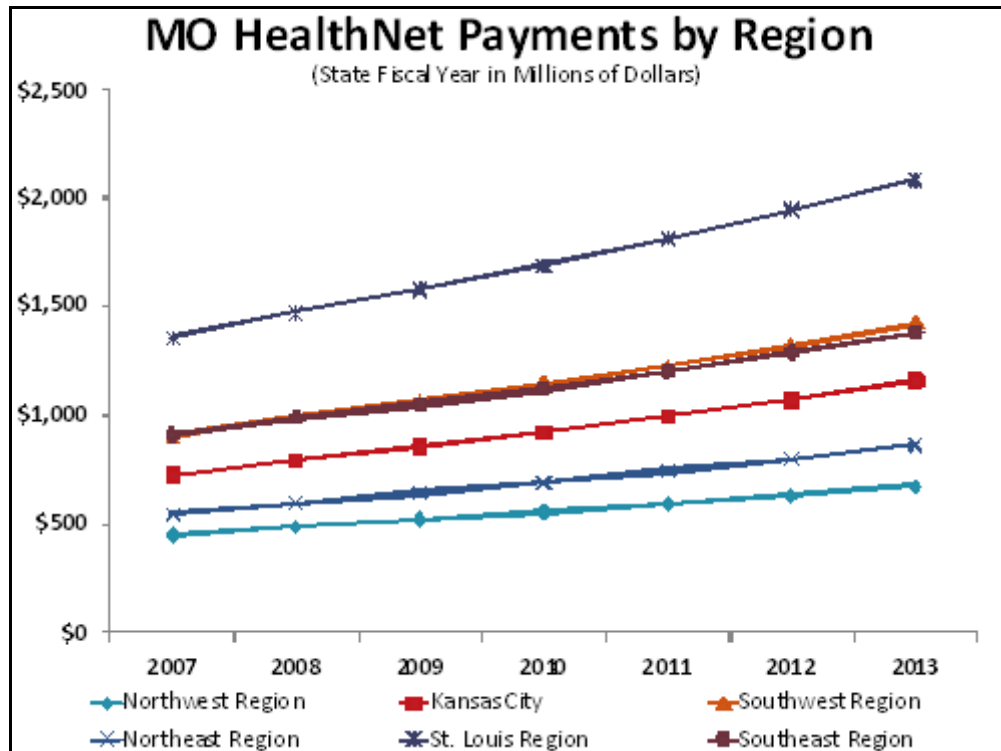
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	Avg. Ann. <u>2008-2013</u>
Northeast Region							
Aged	-0.3	3.0	2.7	2.2	3.4	4.3	3.1
Blind and Disabled	1.0	1.4	1.3	1.1	1.1	1.2	1.2
Adults (Mandatory)	-2.5	1.5	1.4	1.2	0.9	0.6	1.1
Adults (Optional)	9.7	1.5	1.4	1.2	0.9	0.7	1.1
Children	0.7	0.7	0.7	0.6	0.5	0.5	0.6
SCHIP	20.0	0.3	0.3	0.5	0.6	0.9	0.5
Other	<u>0.8</u>	<u>1.1</u>	<u>1.7</u>	<u>0.9</u>	<u>1.1</u>	<u>1.0</u>	<u>1.1</u>
Total	2.5	1.1	1.1	0.9	0.9	1.0	1.0
St. Louis Region							
Aged	-0.5	2.8	2.5	2.1	3.3	4.2	3.0
Blind and Disabled	0.2	0.5	0.5	0.5	0.5	0.5	0.5
Adults (Mandatory)	-3.5	0.6	0.6	0.6	0.3	0.1	0.4
Adults (Optional)	12.0	0.8	0.8	0.8	0.6	0.3	0.7
Children	0.0	-0.2	-0.1	-0.3	-0.6	-0.7	-0.4
SCHIP	25.5	-0.6	-0.7	-0.6	-0.6	-0.5	-0.6
Other	<u>0.3</u>	<u>0.6</u>	<u>0.6</u>	<u>0.5</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>
Total	1.8	0.2	0.2	0.1	0.0	0.0	0.1
Southeast Region							
Aged	-0.3	2.5	2.5	2.0	2.8	3.1	2.6
Blind and Disabled	0.4	0.8	0.8	0.8	0.8	0.8	0.8
Adults (Mandatory)	-3.3	0.8	0.7	0.7	0.5	0.2	0.6
Adults (Optional)	7.1	0.9	0.9	0.7	0.6	0.4	0.7
Children	0.7	0.5	0.4	0.2	0.1	0.2	0.3
SCHIP	14.2	-0.1	0.0	0.2	0.4	0.6	0.2
Other	<u>0.3</u>	<u>0.8</u>	<u>1.1</u>	<u>0.6</u>	<u>1.0</u>	<u>0.6</u>	<u>0.8</u>
Total	1.4	0.8	0.8	0.6	0.7	0.7	0.7
Out of State							
Aged	na	na	na	na	na	na	na
Blind and Disabled	na	na	na	na	na	na	na
Adults (Mandatory)	na	na	na	na	na	na	na
Adults (Optional)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Children	23.0	1.0	1.2	0.5	0.0	-0.2	0.5
SCHIP	na	na	na	na	na	na	na
Other	<u>na</u>	<u>na</u>	<u>na</u>	<u>na</u>	<u>na</u>	<u>na</u>	<u>na</u>
Total	22.9	1.0	1.2	0.5	0.0	-0.2	0.5

Expenditure Projections

Total MO HealthNet claims payments for fiscal year 2008 are expected to total slightly more than \$5.5 billion, an increase of \$450 million over claims payments in SFY 2007. Total expenditures, which include an allowance for net payments made outside of the claims payment system, are estimated at slightly less than \$6.1 billion, an increase of 8.1 percent over total expenditures of \$5.6 billion in SFY 2007 (see Table 3).⁴ For fiscal years after 2008, LBO projects total MO HealthNet expenditures will grow at an annual average rate of 6.8 percent (see Table 4), and will reach \$8.4 billion in 2013.

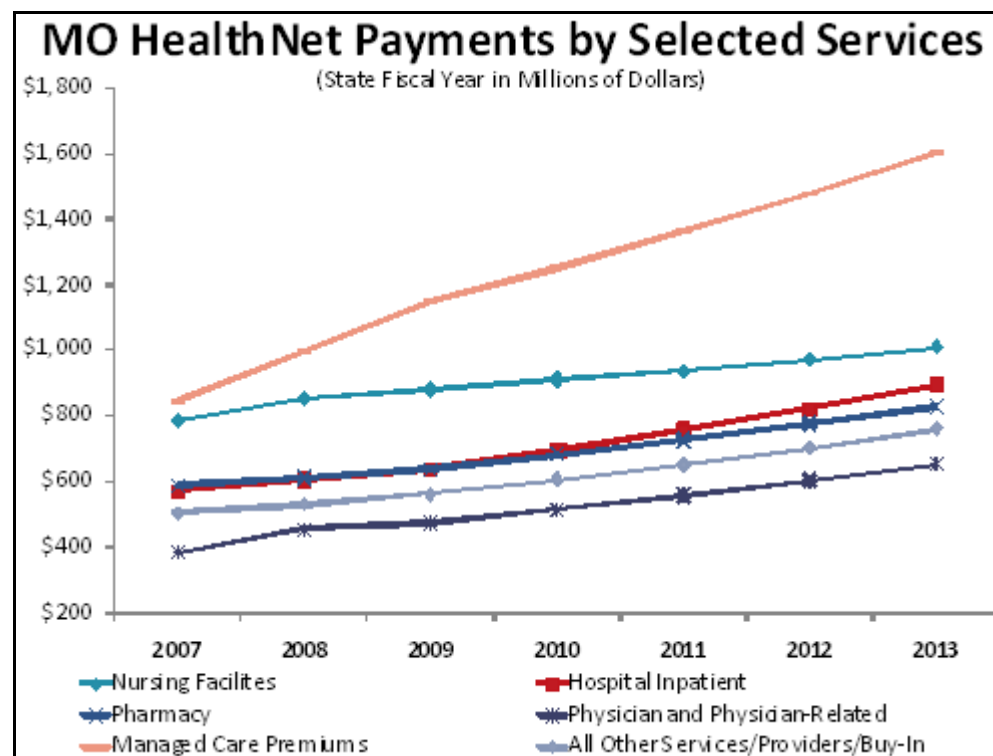
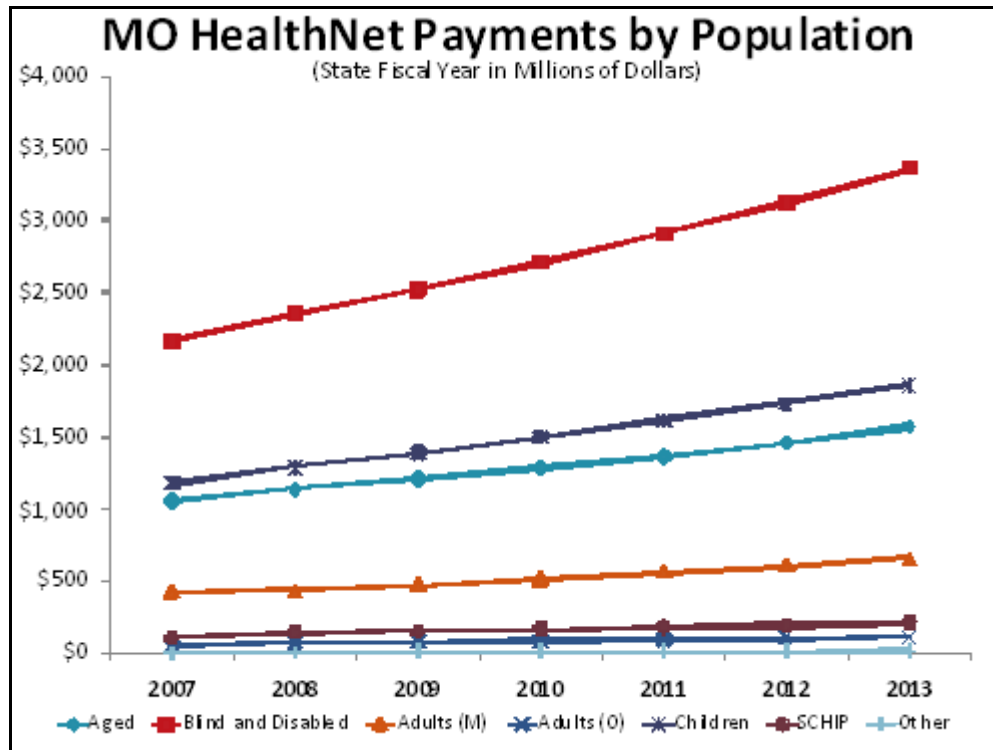
Throughout the projection period, MO HealthNet claims payments are expected to be greatest in the St. Louis region, growing to \$2.1 billion in SFY 2013. This is an annual increase of 7.4 percent from the SFY 2008 total of \$1.5 billion. The fastest growth in claims payments is expected in the Kansas City region. Annual claims payments are expected to increase at a 7.9 percent rate in Kansas City, and reach \$1.2 billion in 2013. Over the course of the projection

period, total claims payments in the Southwest region will surpass those in the Southeast region (see chart), which follows from the strong growth in population experienced by that region. In terms of eligible populations, the Blind and Disabled are the most costly group to cover, followed by Children and the Aged (see chart on the following page).



Of the service categories paid through the claims system that were selected for review, managed care premiums account for both the greatest cost and highest rate of growth. Managed care payments are projected at just below \$1 billion SFY 2008, and will reach \$1.6 billion in SFY

⁴ More detail on how claims data are used in these expenditure projections can be found in the “Projection Methodology” section that follows.



2013 (see Table 5 and chart). Growth in managed care premiums will average 10 percent per year, reaching a high of 16.5 percent in the Southwest region, and a low of 8.1 percent in the St. Louis region (see Table 6). This is the result of both the expansion in the managed care requirement to more counties effective January 1, 2008, and changes in underlying population. It is also worth noting from Table 6 that the largest percentage increase in expenditures by service type for fiscal year 2008 is expected for physician and physician-related services. The 19 percent increase in claims payments is a result of both the health assessment

required by MO HealthNet legislation and the increases in reimbursement provided in appropriations acts.

Cost of Increasing Reimbursement Rates

LBO estimates that the cost of increasing the reimbursement rates for physicians and related services to 100 percent of the Medicare reimbursement rate effective in SFY 2009 will cost \$133 million in that year, increasing to \$144 million in SFY 2010. Over the 2009-2013 period, this change would increase total MO HealthNet expenditures by \$784 million. Extending the methodology used to compute SFY '08 reimbursement rate increases, LBO modeled an increase in MO HealthNet reimbursement rates to 100 percent of the comparable Medicare rate as a 30 percentage point increase in the rate of growth for SFY 2009 for physicians, clinics and physician-related services. If this increase were adopted, LBO projects that total growth in program expenditures would increase by 0.4 percentage points, to 7.2 percent.

Table 3
MO HealthNet Expenditures
Totals by Region and Population
(State Fiscal Year in Millions of Dollars)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2009-2013</u>
GRAND TOTAL								
Aged	1,058.8	1,143.6	1,215.2	1,290.5	1,365.0	1,458.2	1,569.5	6,898.4
Blind and Disabled	2,165.7	2,350.6	2,523.0	2,708.9	2,907.7	3,122.6	3,355.7	14,618.0
Adults (Mandatory)	468.7	485.9	518.7	563.7	612.4	663.8	717.9	3,076.5
Adults (Optional)	57.8	77.2	84.7	91.5	98.8	106.6	114.9	496.5
Children	1,183.5	1,294.3	1,389.6	1,498.7	1,613.6	1,734.3	1,864.8	8,101.0
SCHIP	116.0	151.1	161.7	173.5	186.5	200.7	216.4	938.7
Other	<u>13.1</u>	<u>15.4</u>	<u>18.0</u>	<u>19.3</u>	<u>20.8</u>	<u>22.4</u>	<u>24.1</u>	<u>104.5</u>
Total	5,063.7	5,518.2	5,911.0	6,346.1	6,804.7	7,308.6	7,863.2	34,233.5
Net payments made outside of the claims system*	<u>547.7</u>	<u>547.7</u>	<u>547.7</u>	<u>547.7</u>	<u>547.7</u>	<u>547.7</u>	<u>547.7</u>	<u>2,738.5</u>
TOTAL	5,611.4	6,065.9	6,458.7	6,893.8	7,352.4	7,856.3	8,410.9	36,972.1
Northwest Region								
Aged	110.7	118.1	123.6	130.6	136.9	144.6	153.9	689.6
Blind and Disabled	218.4	235.4	251.6	269.5	288.4	308.9	331.2	1,449.5
Adults (Mandatory)	41.4	43.5	46.8	50.7	55.0	59.6	64.4	276.5
Adults (Optional)	5.8	6.8	7.4	8.0	8.6	9.3	9.9	43.3
Children	96.6	107.2	116.8	125.1	134.2	143.8	154.1	674.0
SCHIP	11.4	14.8	15.8	16.8	18.0	19.3	20.8	90.7
Other	<u>0.3</u>	<u>0.4</u>	<u>0.5</u>	<u>0.5</u>	<u>0.6</u>	<u>0.6</u>	<u>0.7</u>	<u>2.8</u>
Total	484.4	526.0	562.4	601.2	641.8	686.1	735.0	3,226.5
Kansas City								
Aged	128.3	140.2	149.2	158.5	168.0	179.5	193.5	848.7
Blind and Disabled	276.4	301.8	324.6	349.2	375.9	404.8	436.1	1,890.7
Adults (Mandatory)	72.9	76.5	83.3	90.7	98.7	107.2	116.3	496.1
Adults (Optional)	10.1	11.6	12.5	13.5	14.5	15.6	16.8	73.0
Children	213.5	235.0	256.0	278.8	302.8	327.9	355.1	1,520.6
SCHIP	20.3	26.7	28.9	31.3	33.9	36.8	40.1	171.0
Other	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.5</u>	<u>0.5</u>	<u>0.6</u>	<u>0.6</u>	<u>2.6</u>
Total	722.0	792.1	854.9	922.5	994.4	1,072.5	1,158.5	5,002.8
Southwest Region								
Aged	181.4	196.8	209.1	221.3	233.3	248.1	265.8	1,177.6
Blind and Disabled	382.3	416.9	449.3	484.3	521.9	562.8	607.4	2,625.7
Adults (Mandatory)	93.3	96.1	100.6	109.4	118.9	129.0	139.7	597.7
Adults (Optional)	10.7	17.3	19.0	20.7	22.4	24.3	26.4	112.8
Children	214.0	235.9	251.8	271.7	292.5	314.5	338.7	1,469.0
SCHIP	24.5	31.1	33.2	35.6	38.2	41.1	44.4	192.5

Table 3
MO HealthNet Expenditures
Totals by Region and Population
(State Fiscal Year in Millions of Dollars)

		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2009-2013</u>
Other		<u>0.5</u>	<u>1.2</u>	<u>2.0</u>	<u>2.2</u>	<u>2.4</u>	<u>2.6</u>	<u>2.8</u>	<u>11.9</u>
Total		906.6	995.3	1,064.9	1,145.1	1,229.7	1,322.4	1,425.2	6,187.2
Northeast Region									
Aged		112.7	121.8	129.1	136.5	143.8	153.4	165.2	728.0
Blind and Disabled		244.8	267.6	289.1	312.2	336.5	362.9	391.8	1,692.5
Adults (Mandatory)		46.8	47.9	50.7	55.5	60.6	66.0	71.6	304.4
Adults (Optional)		5.2	7.5	8.7	9.5	10.3	11.2	12.1	51.8
Children		122.4	133.5	143.8	155.7	168.5	182.2	197.1	847.2
SCHIP		14.3	18.7	20.1	21.7	23.4	25.4	27.5	118.2
Other		<u>0.2</u>	<u>0.3</u>	<u>0.5</u>	<u>0.6</u>	<u>0.7</u>	<u>0.7</u>	<u>0.8</u>	<u>3.3</u>
Total		546.5	597.4	642.1	691.7	743.8	801.7	866.1	3,745.5
St. Louis Region									
Aged		262.5	284.4	302.6	321.1	339.6	363.6	393.0	1,720.0
Blind and Disabled		584.5	633.3	677.2	724.5	774.9	829.4	888.1	3,894.1
Adults (Mandatory)		129.6	135.6	147.4	160.4	174.5	189.3	204.9	876.5
Adults (Optional)		16.8	19.5	20.9	22.5	24.1	25.9	27.8	121.2
Children		336.8	365.7	393.2	423.0	454.4	486.8	521.2	2,278.6
SCHIP		26.5	36.4	39.0	41.8	44.8	48.0	51.5	225.0
Other		<u>0.9</u>	<u>1.1</u>	<u>1.1</u>	<u>1.2</u>	<u>1.3</u>	<u>1.5</u>	<u>1.6</u>	<u>6.8</u>
Total		1,357.8	1,475.9	1,581.5	1,694.5	1,813.7	1,944.5	2,088.1	9,122.3
Southeast Region									
Aged		213.7	230.0	244.8	260.6	276.5	295.9	317.9	1,395.6
Blind and Disabled		388.0	419.9	450.0	482.5	517.3	554.9	595.4	2,600.1
Adults (Mandatory)		84.3	86.0	89.5	96.6	104.2	112.2	120.5	522.9
Adults (Optional)		9.2	14.4	16.0	17.4	18.8	20.3	21.9	94.3
Children		197.1	213.1	223.9	239.9	256.6	274.3	293.4	1,288.2
SCHIP		19.0	23.5	24.7	26.3	28.1	30.0	32.2	141.4
Other		<u>0.3</u>	<u>0.8</u>	<u>1.3</u>	<u>1.5</u>	<u>1.6</u>	<u>1.7</u>	<u>1.9</u>	<u>8.0</u>
Total		911.6	987.7	1,050.4	1,124.8	1,203.0	1,289.3	1,383.1	6,050.6
Out of State									
Aged		--	--	--	--	--	--	--	--
Blind and Disabled		--	--	--	--	--	--	--	--
Adults (Mandatory)		--	--	--	--	--	--	--	--
Adults (Optional)		--	--	--	--	--	--	--	--
Children		3.0	3.9	4.2	4.4	4.7	4.9	5.1	23.3
SCHIP		--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--
Total		3.0	3.9	4.2	4.4	4.7	4.9	5.1	23.3

Table 3
MO HealthNet Expenditures
Totals by Region and Population
(State Fiscal Year in Millions of Dollars)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2009-2013</u>
Medicare Buy-In Premiums								
Aged	49.5	52.3	56.9	61.8	66.9	73.0	80.2	338.8
Blind and Disabled	71.3	75.9	81.2	86.8	92.6	99.0	105.7	465.3
Adults (Mandatory)	0.4	0.4	0.4	0.4	0.4	0.5	0.5	2.2
Adults (Optional)	--	--	--	--	--	--	--	--
Children	--	--	--	--	--	--	--	--
SCHIP	--	--	--	--	--	--	--	--
Other	<u>10.6</u>	<u>11.3</u>	<u>12.0</u>	<u>12.9</u>	<u>13.7</u>	<u>14.7</u>	<u>15.7</u>	<u>69.0</u>
Total	131.7	139.9	150.5	161.9	173.7	187.1	202.1	875.3

*--Estimate that makes expenditures equal to total costs recorded by the Division of Budget and Planning.

Table 4
MO HealthNet Expenditures
Annual Percentage Change by Region and Population
State Fiscal Year

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	Avg. Ann. <u>2008-2013</u>
GRAND TOTAL							
Aged	8.0	6.3	6.2	5.8	6.8	7.6	6.5
Blind and Disabled	8.5	7.3	7.4	7.3	7.4	7.5	7.4
Adults (Mandatory)	3.7	6.8	8.7	8.6	8.4	8.1	8.1
Adults (Optional)	33.6	9.7	8.0	8.0	7.9	7.8	8.3
Children	9.4	7.4	7.9	7.7	7.5	7.5	7.6
SCHIP	30.3	7.0	7.3	7.5	7.6	7.8	7.4
Other	<u>17.6</u>	<u>16.7</u>	<u>7.7</u>	<u>7.5</u>	<u>7.7</u>	<u>7.5</u>	<u>9.4</u>
Total	9.0	7.1	7.4	7.2	7.4	7.6	7.3
Net payments made outside of the claims system*	--	--	--	--	--	--	--
TOTAL	8.1	6.5	6.7	6.7	6.9	7.1	6.8
Northwest Region							
Aged	6.7	4.7	5.6	4.9	5.7	6.4	5.4
Blind and Disabled	7.8	6.9	7.1	7.0	7.1	7.2	7.1
Adults (Mandatory)	4.8	7.7	8.4	8.5	8.3	8.0	8.2
Adults (Optional)	18.2	9.5	7.8	7.7	7.4	7.2	7.9
Children	11.0	8.9	7.2	7.3	7.1	7.2	7.5
SCHIP	29.4	6.8	6.8	7.0	7.3	7.4	7.1
Other	<u>42.7</u>	<u>31.4</u>	<u>7.3</u>	<u>8.4</u>	<u>8.4</u>	<u>8.2</u>	<u>12.4</u>
Total	8.6	6.9	6.9	6.7	6.9	7.1	6.9
Kansas City							
Aged	9.3	6.4	6.2	6.0	6.9	7.8	6.7
Blind and Disabled	9.2	7.6	7.6	7.6	7.7	7.7	7.6
Adults (Mandatory)	4.9	8.9	8.9	8.9	8.6	8.4	8.7
Adults (Optional)	14.6	7.7	7.8	7.7	7.6	7.5	7.7
Children	10.0	8.9	8.9	8.6	8.3	8.3	8.6
SCHIP	31.7	8.3	8.3	8.5	8.6	8.7	8.5
Other	<u>11.6</u>	<u>8.8</u>	<u>9.1</u>	<u>9.0</u>	<u>9.1</u>	<u>9.1</u>	<u>9.0</u>
Total	9.7	7.9	7.9	7.8	7.9	8.0	7.9

Table 4
MO HealthNet Expenditures
Annual Percentage Change by Region and Population
State Fiscal Year

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	Avg. Ann. <u>2008-2013</u>
Southwest Region							
Aged	8.5	6.2	5.9	5.4	6.3	7.1	6.2
Blind and Disabled	9.0	7.8	7.8	7.8	7.8	7.9	7.8
Adults (Mandatory)	3.0	4.7	8.7	8.7	8.5	8.3	7.8
Adults (Optional)	62.6	9.7	8.6	8.5	8.2	8.7	8.8
Children	10.3	6.7	7.9	7.6	7.5	7.7	7.5
SCHIP	27.0	6.6	7.3	7.4	7.6	7.9	7.4
Other	<u>146.5</u>	<u>68.7</u>	<u>9.5</u>	<u>9.5</u>	<u>9.5</u>	<u>9.7</u>	<u>19.4</u>
Total	9.8	7.0	7.5	7.4	7.5	7.8	7.4
Northeast Region							
Aged	8.1	5.9	5.8	5.3	6.7	7.7	6.3
Blind and Disabled	9.3	8.1	8.0	7.8	7.8	8.0	7.9
Adults (Mandatory)	2.3	5.8	9.5	9.2	8.9	8.6	8.4
Adults (Optional)	45.7	16.2	8.5	8.6	8.7	7.9	9.9
Children	9.0	7.7	8.3	8.2	8.1	8.2	8.1
SCHIP	30.5	7.8	7.7	8.1	8.2	8.5	8.1
Other	<u>105.6</u>	<u>57.6</u>	<u>10.6</u>	<u>8.5</u>	<u>8.6</u>	<u>8.5</u>	<u>17.4</u>
Total	9.3	7.5	7.7	7.5	7.8	8.0	7.7
St. Louis Region							
Aged	8.3	6.4	6.1	5.8	7.1	8.1	6.7
Blind and Disabled	8.3	6.9	7.0	7.0	7.0	7.1	7.0
Adults (Mandatory)	4.6	8.7	8.8	8.8	8.5	8.2	8.6
Adults (Optional)	15.8	7.3	7.5	7.4	7.3	7.1	7.3
Children	8.6	7.5	7.6	7.4	7.1	7.1	7.3
SCHIP	37.2	7.2	7.1	7.2	7.3	7.3	7.2
Other	<u>12.2</u>	<u>8.2</u>	<u>8.2</u>	<u>8.2</u>	<u>8.3</u>	<u>8.4</u>	<u>8.3</u>
Total	8.7	7.2	7.1	7.0	7.2	7.4	7.2
Southeast Region							
Aged	7.7	6.4	6.5	6.1	7.0	7.4	6.7
Blind and Disabled	8.2	7.2	7.2	7.2	7.3	7.3	7.2
Adults (Mandatory)	2.1	4.1	7.8	7.9	7.7	7.4	7.0

Table 4
MO HealthNet Expenditures
Annual Percentage Change by Region and Population
State Fiscal Year

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	Avg. Ann. <u>2008-2013</u>
Adults (Optional)	56.1	11.3	8.2	8.2	8.0	7.9	8.7
Children	8.1	5.1	7.2	7.0	6.9	7.0	6.6
SCHIP	23.6	5.2	6.5	6.6	6.9	7.1	6.5
Other	<u>160.9</u>	<u>72.0</u>	<u>9.6</u>	<u>8.5</u>	<u>9.9</u>	<u>8.5</u>	<u>19.5</u>
Total	8.3	6.3	7.1	7.0	7.2	7.3	7.0
Out of State							
Aged	--	--	--	--	--	--	--
Blind and Disabled	--	--	--	--	--	--	--
Adults (Mandatory)	--	--	--	--	--	--	--
Adults (Optional)	--	--	--	--	--	--	--
Children	30.8	5.9	6.1	5.4	4.9	4.7	5.4
SCHIP	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--
Total	30.8	5.9	6.1	5.4	4.9	4.7	5.4
Medicare Buy-In Premiums							
Aged	5.7	8.8	8.7	8.2	9.1	9.9	8.9
Blind and Disabled	6.5	6.9	6.9	6.8	6.8	6.8	6.8
Adults (Mandatory)	2.5	6.8	6.8	6.8	6.5	6.3	6.6
Adults (Optional)	--	--	--	--	--	--	--
Children	--	--	--	--	--	--	--
SCHIP	--	--	--	--	--	--	--
Other	<u>6.5</u>	<u>6.9</u>	<u>7.0</u>	<u>6.8</u>	<u>6.9</u>	<u>6.8</u>	<u>6.9</u>
Total	6.2	7.6	7.6	7.3	7.7	8.0	7.6

*--Estimate that makes expenditures equal to total costs recorded by the Division of Budget and Planning.

Table 5
MO HealthNet Expenditures
Totals by Service Type and Region
(State Fiscal Year in Millions of Dollars)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2009-2013</u>
GRAND TOTAL	5,611.4	6,065.9	6,458.7	6,893.8	7,352.4	7,856.3	8,410.9	36,972.1
Nursing Facilities								
Northwest Region	92.7	99.6	102.1	105.5	108.3	111.8	116.0	543.8
Kansas City Region	114.9	125.6	130.3	134.8	139.2	144.6	151.0	699.9
Southwest Region	141.7	154.3	160.0	165.3	170.1	176.1	183.3	854.7
Northeast Region	93.8	101.6	105.1	108.6	111.6	115.8	121.0	562.1
St. Louis Region	212.4	231.1	239.1	246.6	253.6	263.0	274.4	1,276.7
Southeast Region	130.1	140.9	145.3	149.6	153.6	158.6	164.5	771.6
Out of State (Alt. Care Child.)	==	==	==	==	==	==	==	==
Total	785.6	853.1	881.8	910.5	936.4	969.9	1,010.3	4,708.8
Hospital Inpatient								
Northwest Region	48.9	52.2	55.9	60.7	65.9	71.5	77.6	331.8
Kansas City Region	70.4	76.7	83.8	91.5	99.8	108.8	118.7	502.5
Southwest Region	123.2	126.9	131.1	143.5	156.9	171.5	187.5	790.6
Northeast Region	48.3	49.8	51.4	56.2	61.3	67.0	73.2	309.1
St. Louis Region	162.8	175.9	190.8	207.0	224.4	243.3	263.9	1,129.5
Southeast Region	117.1	120.2	123.8	134.7	146.4	158.9	172.6	736.4
Out of State (Alt. Care Child.)	<u>0.3</u>	<u>0.4</u>	<u>0.4</u>	<u>0.5</u>	<u>0.5</u>	<u>0.6</u>	<u>0.6</u>	<u>2.6</u>
Total	571.0	602.0	637.3	694.1	755.2	821.6	894.0	3,802.3
Hospital Outpatient								
Northwest Region	46.2	49.0	52.3	56.4	60.7	65.5	70.6	305.5
Kansas City Region	55.7	60.2	65.2	70.5	76.3	82.5	89.3	383.8
Southwest Region	116.1	119.0	122.6	133.0	144.1	156.2	169.4	725.3
Northeast Region	37.7	38.7	40.0	43.4	47.0	51.0	55.4	236.9
St. Louis Region	68.7	73.8	79.6	85.8	92.4	99.7	107.7	465.3
Southeast Region	108.1	111.5	115.6	124.8	134.5	145.0	156.3	676.1
Out of State (Alt. Care Child.)	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.7</u>
Total	432.5	452.3	475.3	514.0	555.2	600.1	649.0	2,793.6
Pharmacy								
Northwest Region	58.7	62.2	65.8	70.1	74.6	79.4	84.6	374.5
Kansas City Region	60.0	64.4	68.9	73.6	78.7	84.1	89.8	395.0
Southwest Region	154.9	159.7	164.5	176.4	189.0	202.4	217.0	949.4
Northeast Region	56.6	57.8	58.9	63.1	67.5	72.2	77.3	339.1
St. Louis Region	105.8	112.5	119.8	127.5	135.6	144.4	153.7	681.1
Southeast Region	152.0	155.7	159.5	170.0	181.1	192.9	205.5	909.1
Out of State (Alt. Care Child.)	<u>0.3</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>2.3</u>
Total	588.3	612.6	637.8	681.3	727.0	775.9	828.4	3,650.4
Physician and Physician-Related								
Northwest Region	31.8	38.6	41.0	44.2	47.7	51.5	55.7	240.1
Kansas City Region	44.5	54.8	59.8	65.2	71.1	77.6	84.9	358.5
Southwest Region	105.5	123.4	125.0	135.2	146.2	158.2	171.5	736.0
Northeast Region	37.9	44.0	44.7	48.5	52.7	57.4	62.7	266.0

Table 5
MO HealthNet Expenditures
Totals by Service Type and Region
(State Fiscal Year in Millions of Dollars)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2009-2013</u>
St. Louis Region	78.7	96.9	104.7	113.4	122.7	133.1	144.8	618.6
Southeast Region	85.1	98.4	99.1	107.0	115.3	124.5	134.7	580.6
Out of State (Alt. Care Child.)	<u>0.2</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.5</u>	<u>0.5</u>	<u>2.2</u>
Total	383.7	456.4	474.7	513.9	556.1	602.7	654.7	2,802.1
Personal Care								
Northwest Region	19.1	20.3	21.9	23.7	25.6	27.7	30.1	129.1
Kansas City Region	19.2	20.6	22.5	24.4	26.5	28.8	31.5	133.7
Southwest Region	36.2	38.9	42.4	46.1	50.1	54.5	59.5	252.5
Northeast Region	24.2	26.0	28.3	30.8	33.4	36.3	39.7	168.4
St. Louis Region	57.4	61.3	66.3	71.6	77.2	83.7	90.9	389.7
Southeast Region	87.8	94.0	101.9	110.5	119.6	130.0	141.3	603.2
Out of State (Alt. Care Child.)	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	243.8	261.0	283.1	307.1	332.4	361.0	393.0	1,676.6
Mental Health Services								
Northwest Region	50.3	54.5	59.3	64.8	70.5	76.9	83.9	355.5
Kansas City Region	58.1	63.3	69.4	75.9	83.0	90.9	99.5	418.7
Southwest Region	55.4	60.0	65.3	71.6	78.6	86.2	94.6	396.3
Northeast Region	69.6	75.9	83.2	91.3	99.9	109.4	120.0	503.7
St. Louis Region	101.2	110.2	120.4	131.5	143.5	156.7	171.3	723.4
Southeast Region	39.9	43.0	46.6	50.9	55.5	60.5	66.0	279.4
Out of State (Alt. Care Child.)	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.2</u>
Total	374.5	406.9	444.2	486.0	531.1	580.6	635.3	2,677.1
State Institutions								
Northwest Region	47.4	49.3	51.6	54.0	56.5	59.1	61.9	283.0
Kansas City Region	32.9	34.7	36.5	38.4	40.3	42.3	44.3	201.7
Southwest Region	58.6	61.6	64.9	68.2	71.8	75.5	79.5	359.8
Northeast Region	35.8	37.7	39.6	41.6	43.7	45.8	48.1	218.9
St. Louis Region	104.7	109.2	114.2	119.3	124.5	130.0	135.7	623.7
Southeast Region	48.7	51.0	53.3	55.8	58.3	61.0	63.8	292.3
Out of State (Alt. Care Child.)	<u>2.0</u>	<u>2.5</u>	<u>2.6</u>	<u>2.8</u>	<u>2.9</u>	<u>3.0</u>	<u>3.1</u>	<u>14.4</u>
Total	330.1	346.0	362.7	380.1	398.0	416.6	436.4	1,993.8
Managed Care Premiums								
Northwest Region	59.3	68.9	78.9	85.7	93.2	101.1	109.7	468.6
Kansas City Region	223.3	245.7	269.0	294.5	321.7	350.4	381.6	1,617.3
Southwest Region	34.2	68.4	103.4	113.1	123.5	134.6	146.8	621.3
Northeast Region	110.8	132.8	155.9	170.4	186.0	202.8	221.1	936.2
St. Louis Region	391.3	426.1	461.5	500.1	541.2	584.2	630.0	2,716.9
Southeast Region	28.8	54.9	81.5	88.6	96.2	104.5	113.6	484.3
Out of State (Alt. Care Child.)	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.6</u>
Total	847.8	996.8	1,150.3	1,252.4	1,361.8	1,477.8	1,602.9	6,845.2

Table 5
MO HealthNet Expenditures
Totals by Service Type and Region
(State Fiscal Year in Millions of Dollars)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2009-2013</u>
All Other Services/Providers								
Northwest Region	30.1	31.6	33.6	36.1	38.7	41.6	44.8	194.7
Kansas City Region	43.0	46.0	49.8	53.7	57.9	62.5	67.9	291.7
Southwest Region	80.9	83.0	85.8	92.5	99.5	107.3	116.1	501.3
Northeast Region	31.9	33.2	35.0	37.8	40.7	43.9	47.7	205.1
St. Louis Region	74.7	79.0	85.2	91.7	98.5	106.4	115.7	497.5
Southeast Region	114.0	118.2	123.8	133.0	142.6	153.3	164.9	717.6
Out of State (Alt. Care Child.)	<u>0.0</u>	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.3</u>
Total	374.8	391.1	413.3	444.9	477.8	515.1	557.1	2,408.2
Medicare Buy-In Premiums (Data not available at county/regional level)								
Total	131.7	139.9	150.5	161.9	173.7	187.1	202.1	875.3
Net payments made outside of the claims system (Estimate; set to make total equal 2007 actual expenditures)								
Total	547.7	547.7	547.7	547.7	547.7	547.7	547.7	3,286.2

Table 6
MO HealthNet Expenditures
Annual Percentage Change by Service Type and Region
State Fiscal Year

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	Avg. Ann. <u>2008-2013</u>
GRAND TOTAL	8.1	6.5	6.7	6.7	6.9	7.1	6.8
Nursing Facilities							
Northwest Region	7.4	2.5	3.4	2.6	3.2	3.8	3.1
Kansas City Region	9.4	3.7	3.5	3.3	3.9	4.5	3.8
Southwest Region	8.9	3.7	3.3	2.9	3.5	4.1	3.5
Northeast Region	8.3	3.5	3.3	2.8	3.8	4.5	3.6
St. Louis Region	8.8	3.5	3.2	2.8	3.7	4.4	3.5
Southeast Region	8.3	3.1	3.0	2.6	3.3	3.7	3.1
Out of State (Alt. Care Child.)	--	--	--	--	--	--	--
Total	8.6	3.4	3.2	2.8	3.6	4.2	3.4
Hospital Inpatient							
Northwest Region	6.7	7.3	8.6	8.5	8.5	8.6	8.3
Kansas City Region	8.9	9.2	9.2	9.1	9.0	9.1	9.1
Southwest Region	3.0	3.3	9.5	9.3	9.3	9.3	8.1
Northeast Region	3.0	3.3	9.3	9.1	9.2	9.2	8.0
St. Louis Region	8.0	8.5	8.5	8.4	8.4	8.5	8.5
Southeast Region	2.7	3.0	8.8	8.6	8.6	8.6	7.5
Out of State (Alt. Care Child.)	<u>32.8</u>	<u>9.1</u>	<u>9.3</u>	<u>8.5</u>	<u>8.0</u>	<u>7.8</u>	<u>8.5</u>
Total	5.4	5.9	8.9	8.8	8.8	8.8	8.2
Hospital Outpatient							
Northwest Region	6.1	6.6	7.9	7.7	7.8	7.9	7.6
Kansas City Region	8.1	8.3	8.2	8.2	8.2	8.3	8.2
Southwest Region	2.6	2.9	8.5	8.4	8.4	8.5	7.3
Northeast Region	2.8	3.3	8.6	8.3	8.4	8.6	7.4
St. Louis Region	7.4	7.9	7.8	7.7	7.9	8.0	7.9
Southeast Region	3.2	3.7	7.9	7.8	7.8	7.8	7.0
Out of State (Alt. Care Child.)	<u>31.6</u>	<u>8.1</u>	<u>8.3</u>	<u>7.5</u>	<u>7.0</u>	<u>6.8</u>	<u>7.5</u>
Total	4.6	5.1	8.1	8.0	8.1	8.1	7.5
Pharmacy							
Northwest Region	5.9	5.8	6.5	6.5	6.4	6.5	6.4
Kansas City Region	7.3	7.0	6.9	6.9	6.8	6.8	6.9
Southwest Region	3.2	3.0	7.2	7.1	7.1	7.2	6.3
Northeast Region	2.1	2.0	7.1	6.9	7.0	7.0	6.0
St. Louis Region	6.3	6.5	6.5	6.4	6.4	6.5	6.4
Southeast Region	2.4	2.4	6.6	6.5	6.5	6.5	5.7
Out of State (Alt. Care Child.)	<u>30.1</u>	<u>6.9</u>	<u>7.0</u>	<u>6.3</u>	<u>5.8</u>	<u>5.6</u>	<u>6.3</u>
Total	4.1	4.1	6.8	6.7	6.7	6.8	6.2

Table 6
MO HealthNet Expenditures
Annual Percentage Change by Service Type and Region
State Fiscal Year

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	Avg. Ann. <u>2008-2013</u>
Physician and Physician-Related							
Northwest Region	21.4	6.4	7.8	7.8	8.0	8.2	7.6
Kansas City Region	23.2	9.0	9.1	9.1	9.2	9.4	9.1
Southwest Region	17.0	1.3	8.1	8.1	8.2	8.4	6.8
Northeast Region	16.2	1.5	8.7	8.6	8.9	9.2	7.3
St. Louis Region	23.0	8.1	8.2	8.2	8.5	8.8	8.4
Southeast Region	15.7	0.7	7.9	7.8	8.0	8.1	6.5
Out of State (Alt. Care Child.)	<u>51.9</u>	<u>5.1</u>	<u>5.2</u>	<u>4.6</u>	<u>4.1</u>	<u>4.0</u>	<u>4.6</u>
Total	19.0	4.0	8.2	8.2	8.4	8.6	7.5
Personal Care							
Northwest Region	6.3	7.9	8.4	8.0	8.3	8.6	8.2
Kansas City Region	7.6	8.8	8.7	8.5	8.8	9.1	8.8
Southwest Region	7.5	9.0	8.8	8.6	8.9	9.2	8.9
Northeast Region	7.5	8.9	8.8	8.4	8.9	9.2	8.9
St. Louis Region	6.8	8.1	8.1	7.9	8.3	8.7	8.2
Southeast Region	7.0	8.4	8.5	8.3	8.6	8.7	8.5
Out of State (Alt. Care Child.)	<u>100.0</u>	--	--	--	--	--	<u>0.0</u>
Total	7.1	8.5	8.5	8.2	8.6	8.8	8.5
Mental Health Services							
Northwest Region	8.3	8.9	9.1	8.9	9.0	9.2	9.0
Kansas City Region	9.1	9.5	9.5	9.4	9.4	9.5	9.4
Southwest Region	8.2	8.8	9.7	9.6	9.7	9.8	9.5
Northeast Region	9.1	9.6	9.7	9.5	9.5	9.6	9.6
St. Louis Region	8.8	9.3	9.2	9.1	9.2	9.3	9.2
Southeast Region	7.9	8.4	9.2	9.0	9.1	9.1	8.9
Out of State (Alt. Care Child.)	<u>33.0</u>	<u>9.3</u>	<u>9.5</u>	<u>8.7</u>	<u>8.2</u>	<u>8.0</u>	<u>8.7</u>
Total	8.7	9.2	9.4	9.3	9.3	9.4	9.3
State Institutions							
Northwest Region	4.2	4.6	4.7	4.7	4.6	4.7	4.6
Kansas City Region	5.4	5.2	5.2	5.0	4.8	4.9	5.0
Southwest Region	5.1	5.3	5.2	5.2	5.1	5.3	5.2
Northeast Region	5.2	5.2	5.1	4.9	4.9	5.0	5.0
St. Louis Region	4.3	4.5	4.5	4.4	4.4	4.4	4.4
Southeast Region	4.7	4.7	4.6	4.5	4.6	4.6	4.6
Out of State (Alt. Care Child.)	<u>27.9</u>	<u>5.1</u>	<u>5.2</u>	<u>4.5</u>	<u>4.0</u>	<u>3.8</u>	<u>4.5</u>
Total	4.8	4.8	4.8	4.7	4.7	4.7	4.8

Table 6
MO HealthNet Expenditures
Annual Percentage Change by Service Type and Region
State Fiscal Year

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	Avg. Ann. <u>2008-2013</u>
Managed Care Premiums							
Northwest Region	16.1	14.6	8.6	8.7	8.5	8.5	9.8
Kansas City Region	10.1	9.5	9.5	9.2	8.9	8.9	9.2
Southwest Region	100.1	51.1	9.4	9.1	9.0	9.1	16.5
Northeast Region	19.9	17.4	9.3	9.2	9.0	9.0	10.7
St. Louis Region	8.9	8.3	8.4	8.2	8.0	7.8	8.1
Southeast Region	90.6	48.5	8.7	8.7	8.6	8.6	15.7
Out of State (Alt. Care Child.)	<u>33.2</u>	<u>9.4</u>	<u>9.6</u>	<u>8.8</u>	<u>8.3</u>	<u>8.1</u>	<u>8.8</u>
Total	17.6	15.4	8.9	8.7	8.5	8.5	10.0
All Other Services/Providers							
Northwest Region	4.9	6.3	7.5	7.2	7.4	7.7	7.2
Kansas City Region	7.1	8.1	7.9	7.7	8.1	8.5	8.1
Southwest Region	2.6	3.4	7.8	7.5	7.8	8.2	6.9
Northeast Region	3.9	5.5	7.9	7.6	8.1	8.6	7.5
St. Louis Region	5.8	7.8	7.6	7.4	8.1	8.7	7.9
Southeast Region	3.6	4.8	7.4	7.2	7.5	7.6	6.9
Out of State (Alt. Care Child.)	<u>30.2</u>	<u>7.0</u>	<u>7.1</u>	<u>6.4</u>	<u>5.9</u>	<u>5.7</u>	<u>6.4</u>
Total	4.4	5.7	7.7	7.4	7.8	8.1	7.3
Medicare Buy-In Premiums (Data not available at county/regional level)							
Total	6.2	7.6	7.6	7.3	7.7	8.0	7.6
Net payments made outside of the claims system							
Total	--	--	--	--	--	--	--

Projection Methodology

Overview

The MO HealthNet projections contained in this report are based on three things: (1) claims payments by type of service for the average user in a given enrollment group, (2) the ratio of users to total enrollment in that group, (3) and expected growth in the state's population for the age cohorts contained within that enrollment group. Simply put, the projections look to why a person is eligible for the MO HealthNet program, estimate the change in the total number of such persons based on underlying population change, and, assuming similar use of medical services over time and trend growth in claims payments per user, compute the future cost of serving those individuals.

Adjustments are made to the projections for known changes in the program, such as those enacted in the last session of the General Assembly, and the required use of managed care in additional counties that took effect on January 1, 2008. An adjustment also is made to account for the difference between payments made through the claims processing system (the data used in this report) and the total cost of the program as recorded by the Office of Administration, Division of Budget and Planning. This adjustment is \$547.7 million in SFY 2007, and is held constant in future years.⁵

Historical information on both claims payments and the number of enrollees were provided by the Department of Social Services. The data consisted of county level monthly claims payments for the period January 2004 through October 2007, and monthly counts of persons eligible for benefits for the period July 2006 through September 2007. They were compiled using summary files that are used as the basis for the MO HealthNet information provided in the Department's Monthly Management Report.

Projections of county population for the period 2006 through 2013 were provided by the Office of Social and Economic Data Analysis [OSED] at the University of Missouri–Columbia. Those data were prepared using the same basic methodology used in the computation of the over 65 population for the *Missouri Senior Report: Ahead of the Boom: Missouri Prepares*, which OSED produced in 2006 in collaboration with the Missouri Department of Health and Senior Services. The population estimates use the Census Bureau official estimates for 2006 (with St. Louis City adjustments per their successful challenge of the total population count), and projections for single years 2007 through 2013. The data also contain custom adjustments for the age 19-21 cohorts in several counties with large college populations (Boone, Adair, Greene, Cape Girardeau, etc.) to make the data more reflective of trends in that cohort for the past 3 years.

⁵ The Department of Social Services recently provided new information regarding net payments not included in the claims data, but that information leads to total expenditures that are inconsistent with the Budget and Planning Division data. This discrepancy will need to be resolved for future reports.

In the initial compilation of the county level data provided by the Department of Social Services, the Legislative Budget Office requested that the data be sorted into 24 separate eligibility groups and 23 separate service groups. On the eligibility side, some groups were combined to marry the enrollment data with the claims data because the enrollment data did not have eligibility classes that matched the claims data. On the services side, analysis suggested that some services would be better combined in order to compute trend growth.

The cost projections were made using 8 eligibility groupings and 12 service groupings. For the final presentation in this report, those classes were further reduced to the following:

Eligible Populations–

- Aged;
- Blind and Disabled;
- Adults (Mandatory), which consists of adults with incomes below the eligibility threshold of the former Aid to Families with Dependent Children [AFDC] program or pregnant women with income below certain levels whose benefits are required under federal law;
- Adults (Optional), which consists of adults that the state has elected to provide benefits to, such as additional groups of pregnant women, and the Breast or Cervical Cancer program;
- Children;
- State Children's Health Insurance [SCHIP] participants; and
- Other, which consists of smaller groups such as Refugees, Qualified Medicare Beneficiaries, and the former General Relief population.

Service and Provider Groups–

- Nursing Facilities;
- Hospital Inpatient;
- Hospital Outpatient;
- Pharmacy;
- Physician and Physician-Related, which includes clinics;
- Personal Care;
- Mental Health Services;
- State Institutions;
- Managed Care Premiums; and
- All Other Services and Providers.

Additional Detail on Eligible Population Projections

Actual average monthly enrollment by county for SFY 2007 is used as the base year figures for the number of persons eligible to participate in the MO HealthNet Program. These data were grouped by population (eligibility category) and matched with OSEDA's SFY 2007 population projections by county for similar age cohorts. A ratio of enrollment by eligibility category to the total population was computed; this ratio was assumed to hold constant for state fiscal years 2008 through 2013. Enrollment for each year was calculated by applying that ratio to the population

projections for that year. Thus, the projections simply account for trend growth in population, but do not take into account changes in economic conditions that would affect means-tested programs.

Several adjustments were then made to the enrollment projections. The first set of adjustments were made to take into account enactment of SB 577 in the 2007 legislative session. The second adjustment was to take into account the fixed income limit that is used to determine the eligibility of certain adults in the program.

The following adjustments were made to account for SB 577:

- Enrollment was increased for Independent Foster Care Children, who were made eligible by the legislation. Average monthly enrollment for fiscal year 2008 was set equal to the actual by county enrollment for the category at the end of September, 2007. This figure (1,020) is slightly above the figure used in the fiscal note (970). The additional beneficiaries are included in the figures for Children.
- Enrollment was increased to account for the Ticket to Work program, which was created in the legislation. Average monthly enrollment for fiscal year 2008 was set equal to the number used in the fiscal note (3,040), and was distributed by county in the ratio each county's population over the age of 19 bears to the total state population for that age group. Although actual enrollment figures through September have been sharply lower than the fiscal note estimate, the expectation is that participation will reach the fiscal note estimate by the end of the fiscal year. The additional participants are found in the Adults (Optional) population.
- Enrollment was increased to account for expanded eligibility for the SCHIP program. Average monthly enrollment for fiscal year 2008 was set equal to the number used in the fiscal note (12,262), and was distributed by county in the ratio that each county's population age 0 - 18 bears to the total state population for that age group. No increase in enrollment has been noted in the actual enrollment data thus far, so there is currently no better estimate than the one used in the fiscal note.

Finally, the number of program participants was decreased to account for the fact that the income limit for certain adults is frozen at the level in effect on July 16, 1996. As the general level of income increases in the economy, fewer persons have income below this income threshold. Analysts at the Missouri Hospital Association expect that 3,345 fewer enrollees will result from the fixed income limit; the LBO has used that figure in its projections. The lost participants are distributed by county by the ratio of Adults (Mandatory) in each county to the total Adults (Mandatory) in the state, and grows by the total increase in the 19-64 age group.

Additional Detail on Expenditure Projections

The monthly cost per user was computed on a statewide basis for each of the service groupings

for the period January 2004 through October 2007. The data were smoothed using a 7 month centered moving average to better reveal trends, resulting in 40 months of data. Trend growth was computed using the full smoothed data series. (In a few cases where the trend clearly changed since 2004, a shorter data series was used.) The SFY 07 average county cost per user of service was inflated at the trend growth rate, and multiplied by the share of county enrollment that used the service in SFY 07.

In two cases, the results of the trend computations were not used for projecting future expenditures. In the case of inpatient hospital care, the trend cost per user computed using the 40 month period would not be sustainable. Using the period September 2005 forward, a trend growth rate of 9.1 percent was computed. That figure also seemed too high relative to the 7 percent estimate of the growth in hospital care component of the national health spending projections prepared by the Office of the Actuary of the federal Centers for Medicare and Medicaid Services; LBO used the midpoint of the two estimates in its projections for the future growth of per user hospital inpatient costs.

In the case of managed care premiums, the 13.6 percent per user trend growth rate computed based on the claims data also seemed a little excessive relative to 4.7 percent growth rate for total spending on managed care in the most recently completed fiscal year. In its study of health benefits in 2007, the Kaiser Family Foundation found that health maintenance organizations received an average annual premium increase of 8.3 percent. The LBO used this rate of increase going forward as trend growth figure in its projections of managed care premiums.

The trend growth rates used in the analysis are shown in the following table:

Trend Growth In MO HealthNet Cost per User

Annual Fiscal Year Percentage Change

Service	Annual Change in Cost Per User
Nursing Facilities	0.9
Hospital Inpatient	8.0
Hospital Outpatient	7.0
Pharmacy	5.8
Physician	6.7
Clinic	10.4
Other Physician-Related	3.3
Personal Care	6.9
Mental Health Services	8.2
State Institutions	4.0
Managed Care Premiums	8.3
All Other	5.9

Growth rates for SFY 2008 also were adjusted to account for certain increases in reimbursement rates provided through the appropriations process. The increase in average physician reimbursement rates was modeled as a 10 percentage point increase in the rate of growth for SFY 2008 for physicians, clinics and physician-related services. The \$9 per day increase (\$3,600 per year) for nursing facilities was modeled as a 7.6 percentage point increase above trend growth for that category of service. The requirement for risk assessments (assumed to be required for 400,000 eligibles at a cost of \$50 per assessment) was implemented as an increase in the SFY 2008 growth rate for physician and physician-related services of 10.5 percentage points. The one-year increase in the growth rate boosts spending for these services, and that higher level of spending continues to grow in future years at the rates given above.

After all of those adjustments were made, a final adjustment was made to the county-level data to reflect the fact that certain eligibles in 21 counties were required to enroll in managed care plans on January 1, 2008. Analysis indicated that for the populations that are required to participate, participation is in fact 100 percent. So, cost projections based on the fee-for-service program were overridden at the start of this calendar year by the expected cost of managed care premiums for the Adults (Mandatory), Adults (Optional), Children, SCHIP, and Other eligibility classes. The expected cost of premiums was set at the average cost of managed care coverage statewide for the eligibility group.

Appendix

Select Changes Made By Senate Bill 577 (2007)

The Missouri Medicaid program is a combined effort of four departments: the Departments of Health and Senior Services, Social Services, Mental Health, and Elementary and Secondary Education. Senate Bill 577 removed the sunset date for the Missouri Medicaid program and changed the name of the program to MO HealthNet. With this change came some adjustments in coverage and eligibility. However, all previous Missouri Medicaid regulations remain the same until withdrawn or amended by MO HealthNet. Some of the key changes are outlined below.

The MO HealthNet legislation established a “health care home” model that includes “health improvement plans”. In addition, a “health risk assessment” is also required for each participant. These plans will be developed by the Department of Social Services and are subject to approval by the MO HealthNet Oversight Committee.

The MO HealthNet legislation also expanded coverage to several different groups. A Ticket to Work program for disabled workers is now provided and SCHIP funding was restored to approximately 10,000 children by modifying the “affordability test.” Hospice services and durable medical equipment are now, once again, required. Family planning is also available to qualifying women in Missouri. Coverage was added for those children who “age out” of foster care. Those children are now eligible for Medicaid until the age of 21 without consideration of income. Dental and Optometry services will be restored if funds are appropriated by the legislature.

Several modifications were made in regard to how co-payments are handled. The legislation now states that co-payments are made in addition to the payments paid to the providers. This goes into effect July 1, 2008.

The MO HealthNet Division can now launch a “premium offset” program. The purpose of this program is to make available, to qualified individuals, private health insurance coverage by using Medicaid money to offset the price of private insurance offered by specific employers. The law establishes a pilot program that expires in 2011. The pilot program is limited to one urban region and one rural region, and is subject to appropriation.

A “Healthcare Technology Fund” was created, subject to appropriation. The fund will be used to further the use of technology in all aspects of the healthcare process. Some examples include electronic medical records and e-prescribing.

Missouri law also was changed with regard to long-term care. Citizens who purchase long-term care insurance can now keep more of their assets and still qualify for Medicaid. The amount of the payment made toward the purchase of this specific type of insurance will now be overlooked as a current asset.